

## Message Text

UNCLASSIFIED

PAGE 01 GENEVA 06969 01 OF 02 151557Z

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ACTION IO-10

INFO OCT-01 ISO-00 COME-00 AF-10 ARA-10 EA-10 EUR-12

NEA-10 RSC-01 EB-07 L-02 H-02 CIAE-00 INR-07 NSAE-00

PA-02 USIA-15 PRS-01 SP-02 OMB-01 TRSE-00 ABF-01

STR-04 IOE-00 /108 W

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P 151515Z NOV 74

FM USMISSION GENEVA

TO SECSTATE WASHDC PRIORITY 9229

UNCLAS SECTION 1 OF 2 GENEVA 6969

E.O. 11652: N/A

TAGS: OCON AORG WTO

SUBJECT: 13 MISSIONS HOLD CONSULTATION ON WORLD TOURISM ORGANIZATION

REF: A. GENEVA 6594; B. GENEVA 6641; C. GGRIP-PROHME TELECONS  
NOV 13-14. 1974.

1. SUMMARY. UNDER CHAIRMANSHIP OF DCM, REPRESENTATIVES OF 13 MISSIONS IN GENEVA HELD SECOND MEETING AT US MISSION ON NOV 14 TO REVIEW CONSULTATIONS WITH WTO SYG LONATI, REACTIONS NOTED AND NEXT STEPS FOR PARTICIPANTS TO TAKE IN LAUNCHING WORLD TOURISM ORGANIZATION (WTO). REPRESENTATIVES AGREED TO MEET AGAIN ON DEC 19 TO REPORT, INTER ALIA, ON RESULTS OF CONSULTATIONS WITH THEIR RESPECTIVE GOVERNMENTS ABOUT TIMETABLE SUGGESTED BY US FOR STEPS TO BE TAKEN DURING WTO'S INITIAL YEAR AS INTER-GOVERNMENTAL ORGANIZATION. END SUMMARY.

2. US MISSION DISTRIBUTED TWO PAPERS (BOTH AIRPOUCHED IO/TRC) TO EACH MEMBER OF GROUP, ONE OUTLINING SUGGESTED SCENARIO OF EVENTS FOR PERIOD NOV 1974-JAN 1, 1976, AND SECOND POSING SERIES OF SEVEN QUESTIONS (SUGGESTED BY AGENCY DIRECTOR, IO/TRC) FOR CONSIDERATION.

3. FOLLOWING WERE RESULTS OF CONSULTATION:

A. CONSULTATIONS WITH SYG LONATI: FOR REPORT OF US  
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PAGE 02 GENEVA 06969 01 OF 02 151557Z

CONSULTATIONS OF OCT 30 SEE REF B. FRENCH AMBASSADOR, SPEAK-

ING FOR MOST EEC COUNTRIES, CONSULTED WITH SYG ON NOV 13, WHILE JAPANESE AND UK CONSULTED WITH WTO COUNSELOR GIUSTI NOV 8 AND 14 RESPECTIVELY.

FRENCH FOUND THAT LONATI NOT CONCERNED BY TIGHT TIME-TABLE IMPOSED BY FINANCIAL RULES ATTACHED TO STATUTES OF WTO WHICH LEGALLY BECAME EFFECTIVE NOV 1, 1974. LONATI STRESSED FIRST ASSEMBLY WOULD HAVE TO APPROVE FINANCIAL REGULATIONS OF ORGANIZATION AND THAT WITH THAT ACTION BOTH FINANCIAL RULES AND REGULATIONS WOULD BE IN EFFECT. HE DID NOT SEEM TO REGARD TIMETABLE AS HARD AND FAST.

ON OTHER HAND LONATI EXPLAINED TO FRENCH-- AS HE HAD TO US-- AND AS GIUSTI REITERATED TO JAPANESE AND UK--THAT HE DID NOT FEEL ARTICLE 42 MEMBERS COULD STAND FOR ELECTION TO COUNCIL AS COUNCIL ELECTED FOR FOUR YEARS AND ARTICLE 42 MEMBERS ONLY SURE TO BE WTO MEMBERS FOR ONE YEAR.

DISCUSSING THIS POSITION OF SYG, GROUP AGREED THAT LEGALLY ARTICLE 42 MEMBERS WERE FULL MEMBERS IN EVERY SENSE OF WORD, WITH "RIGHTS AND OBLIGATIONS OF FULL MEMBERS" SWISS (MUHEIM) SUGGESTED THAT IT SHOULD BE POSSIBLE --TO MEET LONATI'S POINT-- FOR ARTICLE 42 MEMBER TO DEPOSIT "DECLARATION OF INTENTION" OF HIS GOVERNMENT TO RATIFY WTO STATUTES AND HENCE TO RUN FOR ELECTION TO COUNCIL. IN ADDITION, UK, NL REPS FELT THAT LDCS MIGHT WANT REPS OF DEVELOPED COUNTRIES ON WTO COUNCIL AND HENCE MIGHT BE WILLING TO ACCEPT DECLARATION OF INTENTION TO RATIFY STATUTES AS SUFFICIENT FOR ELIGIBILITY.

JAPANESE REP SAID THAT GIUSTI HAD INDICATED COUNCIL MUST BE ELECTED AT FIRST SESSION OF FIRST ASSEMBLY. UK REP REPORTED THAT GIUSTI FELT THERE COULD BE A WAY AROUND NON-ELIGIBILITY OF ARTICLE 42 MEMBERS FOR ELECTION TO COUNCIL. HE SUGGESTED, FOR ONE, ELECTION OF EX-OFFICIO MEMBERS OF COUNCIL, WHO OF COURSE WOULD BE WITHOUT VOTE.

LONATI ASSURED FRENCH HE HAD NO OBJECTION TO 1. CONVENING FIRST ASSEMBLY IN MARCH; 2. KEEPING BUDGET WITHIN REASONABLE RELATIONSHIP TO IUOTO'S LAST BUDGET; 3. ADOPTING LUSAKA FORMULA FOR ASSESSMENT OF MEMBERS; AND 4. KEEPING TECHNICAL ASSISTANCE ALLOCATIONS OUT OF REGULAR WTO BUDGET.

FRENCH GAINED IMPRESSION LONATI NOT CONCERNED ABOUT FINANCES FOR FIRST WTO COUNCIL AND ASSEMBLY AS WTO WOULD HAVE IUOTO-FINANCING FOR FIRST YEAR AS IT IS HEIR TO IUOTO.

SWISS REP EXPRESSED CONCERN ABOUT REPORTS LONATI WAS UNCLASSIFIED

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PAGE 03 GENEVA 06969 01 OF 02 151557Z

RELYING ON SWISS FOR FINANCING FIRST ASSEMBLY, EVEN IF IT INVOLVED ONLY RENTAL OF HALL. HE SAID LONATI HAD NOT YET CONSULTED HIM ABOUT QUESTION AND MINISTRY OF FINANCE INDICATED 1975 WOULD BE "LEAN" YEAR FOR GOVERNMENT FINANCES. WHEN TOLD THAT LONATI HAD REPORTED HE HAD CONTACTED SWISS TOURISM OFFICIALS (ZURICH) RE FIRST ASSEMBLY, MUHEIM REPLIED THAT TOURIST OFFICIALS DID NOT HAVE FULL CONTROL OVER SUCH FINANCING AS WAS APPARENTLY IMPLIED.

B) SCENARIO FOR INAUGURATION OF WTO:

US OFFERED FOR GROUP'S CONSIDERATION FOLLOWING TIMETABLE  
OF ACTION TO COMPLY WITH THE WTO STATUTES AND DRAFT ASSEMBLY  
RULES OF PROCEDURE:

ON ASSUMPTION THAT MARCH 1975 IS EARLIEST THAT FIRST  
WTO ASSEMBLY CAN BE CALLED FOR PRACTICAL AS WELL AS RULES OF  
PROCEDURE REASONS, SYG LONATI COULD DO FOLLOWING IN DECEMBER,  
1974:

1. SEND NOTICE TO ALL FULL WTO MEMBERS CONVENING FIRST  
ASSEMBLY IN GENEVA IN MARCH 1975 AND FORWARDING ITS AGENDA;
2. CONVENE FIRST COUNCIL IMMEDIATELY FOLLOWING FIRST  
ASSEMBLY IN MARCH AND FORWARD ITS AGENDA;
3. SEND COUNCIL (IN FORM OF ALL MEMBERS OF ASSEMBLY  
WHO WILL INCLUDE THOSE TO BE ELECTED TO COUNCIL) PROPOSED  
FIRST BUDGET (1976-77) FOR STUDY.

DOING ABOVE IN DEC WOULD HOPEFULLY COMPLY WITH  
STATUTORY REQUIREMENT OF THREE MONTHS' NOTICE FOR CALLING  
OF COUNCIL AND THREE MONTHS FOR COUNCIL TO STUDY BUDGET.

IT WOULD THEN BE EXPECTED THAT WTO BODIES AND SECRETARIAT  
WOULD TAKE FOLLOWING STEPS:

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PAGE 01 GENEVA 06969 02 OF 02 151608Z

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ACTION IO-10

INFO OCT-01 ISO-00 IOE-00 AF-10 ARA-10 EA-10 EUR-12 NEA-10

RSC-01 EB-07 L-02 H-02 CIAE-00 INR-07 NSAE-00 PA-02

USIA-15 PRS-01 SP-02 OMB-01 TRSE-00 ABF-01 STR-04

COME-00 /108 W

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P 151515Z NOV 74

FM USMISSION GENEVA

TO SECSTATE WASHDC PRIORITY 9230

UNCLAS SECTION 2 OF 2 GENEVA 6969/2

1. COUNCIL WOULD ADOPT BUDGET IN MARCH FOR FORWARDING  
TO ASSEMBLY;

2. SECOND SESSION OF ASSEMBLY WOULD BE CONVENED IN  
MID-JUNE INTER ALIA TO ADOPT BUDGET PRIOR TO JULY 1;

3. NOTICE OF ASSESSED CONTRIBUTIONS WOULD THEN BE SENT TO ALL MEMBERS OF JULY 1 OR SIX MONTHS BEFORE CONTRIBUTIONS ARE DUE AS PER FINANCIAL RULES;

4. NEW BUDGET WOULD GO INTO EFFECT SIX MONTHS LATER; I.E., JAN 1, 1976, AS PER FINANCIAL RULES.

IN DISCUSSION WHICH FOLLOWED ONLY SWISS OFFERED SERIOUS OBJECTION. MUHEIM POINTED OUT THAT MOST IMPORTANT ACTION OF FIRST SESSION WOULD REQUIRE EXTENSIVE DIPLOMATIC CONTACTS, BOTH IN GENEVA AND BETWEEN CAPITAL CAPITALS, AND THAT TIME WAS TOO LIMITED FOR THIS. JOBS DONE IN A HURRY ARE USUALLY BAD, MUHEIN NOTED, STRESSING THAT ELECTION OF GOOD COUNCIL ALL IMPORTANT FOR NEW WTO.

GROUP DECIDED TO SUBMIT TIMETABLE ABOVE TO THEIR GOVERNMENTS FOR COMMENT AND REPORT ON RESULTS OF THIS CONSULTATION AT MEETING DECEMBER 19.

C. RESPONSE TO QUESTIONS POSED BY US:  
GROUP CONSENSUS WAS THAT FIRST ASSEMBLY WAS ORDINARY, NOT EXTRAORDINARY ASSEMBLY, AND HENCE THAT SYG COULD CALL IT WITHOUT CONSULTATIONS WITH MEMBERS.  
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PAGE 02 GENEVA 06969 02 OF 02 151608Z

GROUP FELT THAT IN VIEW OF HEAVY AGENDA FIRST SESSION WOULD PROBABLY REQUIRE 10 DAYS TO TWO WEEKS. IT WAS AGREED AGENDA WOULD INCLUDE ADOPTION OF AGENDA, RULES OF PROCEDURE AND FINANCIAL REGULATIONS; ELECTION OF ASSEMBLY OFFICERS; ADOPTION OF LUSAKA SCALE OF ASSESSMENT; ADOPTION OF RESOLUTION AUTHORIZING UNDP/WTO AGREEMENT AND EXCLUDING TECHNICAL ASSISTANCE FUNDS FROM REGULAR BUDGET; AND ELECTION OF EXECUTIVE COUNCIL.

THERE WAS STRONG OPPOSITION TO RATIFYING WTO STATUTES WITH CONDITIONS, SUCH AS "THIS GOVERNMENT RATIFIED WITH UNDERSTANDING THAT LUSAKA ASSESSMENT FORMULA AND PRINCIPLE OF NON-INCLUSION OF TECH ASST FUNDS IN REGULAR BUDGETS OF ORGANIZATION WILL REMAIN IN FORCE." FRG REP SAID RATIFYING STATUTES OR CONVENTIONS WITH CONDITIONS ATTACHED WAS BECOMING COMMON PRACTICE NOW. AUSTRALIANS, SWISS FLATLY OPPOSED RATIFICATION WITH CONDITIONS AS INAPPROPRIATE ON GROUNDS LUSAKA FORMULA AND NON-INCLUSION OF TECH ASST FUNDS IN WTO BUDGET, WERE NOT RESERVATIONS REGARDING STATUTES PER SE, BUT RATHER ABOUT ACTIONS WHICH WTO ASSEMBLY AND COUNCIL MIGHT TAKE. IT WAS AGREED A MEMBER COULD WITHDRAW FROM ORGANIZATION AT ANY TIME AND WOULD NORMALLY STATE ITS REASONS FOR SO DOING. UK WRYLY COMMENTED US VIEWS ON LUSAKA FORMULA WELL KNOWN AND DO NOT REQUIRE A STATEMENT.

FOLLOWING REPS SAID THEIR GOVERNMENTS PLANNED TO UTILIZE ARTICLE 42 TO JOIN WTO FOR PERIOD NOV 1974 TO NOV 1975: US, SWITZERLAND, AUSTRALIA, USSR, ITALY, FRG, FRANCE. NEW ZEALAND REP SAID HER GOVERNMENT PROBABLY WOULD DO SO. FOLLOWING GOVERNMENTS HAD NOT YET DECIDED: NETHERLANDS, UK, SWEDEN,

JAPAN, BELGIUM. AUSTRIAN AND IRISH REPS INFORMED MISSION OFFICER BEFORE MEETING THEY HAD NOT DECIDED.

ASKED IF MARCH SESSION OF WTO ASSEMBLY APPROVED MEASURES GROUP FELT WERE REQUISITE FOR HOME GOVERNMENTS, COULD THEIR GOVERNMENTS DEPOSIT RATIFICATION PAPERS BY NOVEMBER 1, 1975, REPS GAVE FOLLOWING REPLIES: US, AUSTRALIA, SWITZERLAND COULD DO SO. FRG AND NEW ZEALAND HAD STARTED PROCEDURE, BUT WERE UNABLE TO PREDICT WOULD BE COMPLETED BY NOV 1 1975. USSR, NETHERLANDS, ITALY, JAPAN, BELGIUM, UNABLE TO PREDICT WHETHER PROCEDURE WOULD BE INITIATED IN TIME. SWEDEN WAS NOT PLANNING TO RATIFY; UK REP SAID HIS GOVERNMENT MIGHT NOT RATIFY, BUT COULD DO SO WITHIN 7 TO 9 MONTHS ONCE DECISION TAKEN. FRENCH REP HAD LEFT MEETING BY TIME THIS QUESTION UNCLASSIFIED

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PAGE 03 GENEVA 06969 02 OF 02 151608Z

POSED, BUT IT BELIEVED FRENCH, TOO, COULD DO SO WITHIN TIME REQUIRED.

4. ATTENDING CONSULTATION IN ADDITION TO US HOSTS, WERE REPS OF AUSTRALIA, BELGIUM, FRG, FRANCE, HOLLAND, ITALY, JAPAN, NEW ZEALAND, SWEDEN, SWITZERLAND, UNITED KINGDOM AND USSR. INVITED BUT UNABLE TO ATTEND WERE REPS OF CANADA, AUSTRIA AND IRELAND.

5. REQUEST GUIDANCE ON FOLLING:

A. SHOULD MISSION INFORM LONATI NOW OF REVISED SCENARIO, ASSUMING DEPARTMENT CONCURS IN REVISION?

B. ELIGIBILITY OF ARTICLE 42 MEMBERS FOR ELECTION TO EXECUTIVE COUNCIL.

C. DOES USG STILL PLAN TO RATIFY WITH CONDITIONS?DALE

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## Message Attributes

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